

DOC

QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED JUNE 30, 2002

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

TRADING NAME OF LICENSEE Adamar of New Jersey, Inc. d/b/a Tropicana Casino & Resort

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FOR THE QUARTER ENDED: JUNE 30, 2002

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BALANCE SHEETS

AS OF JUNE 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 24,161	\$ 19,615
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$16,345 ; 2001, \$17,389).....	15,732	16,294
4	Inventories.....	3,672	3,471
5	Prepaid Expenses and Other Current Assets.....	14,459	13,704
6	Total Current Assets.....	58,024	53,084
7	Investments, Advances, and Receivables..... (Note 4,5).....	17,934	22,586
8	Property and Equipment - Gross..... (Note 2).....	777,855	742,980
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(225,408)	(201,589)
10	Property and Equipment - Net..... (Note 2).....	552,447	541,391
11	Other Assets.....	10,376	15,831
12	Total Assets.....	\$ 638,781	\$ 632,892
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 8,789	\$ 5,926
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	381	631
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	23,742	21,813
19	Other Current Liabilities.....	7,683	6,972
20	Total Current Liabilities.....	40,595	35,342
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,5).....	447,000	448,041
22	Other..... (Note 3).....	254	674
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	17,703	20,402
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	505,552	504,459
27	Stockholder's, Partners', or Proprietor's Equity.....	133,229	128,433
28	Total Liabilities and Equity.....	\$ 638,781	\$ 632,892

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

revised 9/30/02

FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

11/15/02

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 196,066	\$ 197,715
2	Rooms.....	23,610	22,171
3	Food and Beverage.....	26,018	24,241
4	Other.....	6,897	6,098
5	Total Revenue.....	252,591	250,225
6	Less: Promotional Allowances.....	45,284	45,484
7	Net Revenue.....	207,307	204,741
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	118,261	118,445
9	Selling, General, and Administrative..... (Note 5).....	29,928	29,565
10	Provision for Doubtful Accounts.....	1,150	1,395
11	Total Costs and Expenses.....	149,339	149,405
12	Gross Operating Profit.....	57,968	55,336
13	Depreciation and Amortization.....	13,663	12,476
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	17,591	16,800
15	Other.....	0	0
16	Income (Loss) from Operations.....	26,714	26,060
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(26,851)	(26,375)
18	Interest (Expense) - External..... (Note 3).....	1,031	(65)
19	Investment Alternative Tax and Related Income (Expense) - Net.....(Note 4).....	2,421	(688)
20	Nonoperating Income (Expense) - Net.....	(3,098)	(1,709)
21	Total Other Income (Expenses).....	(26,497)	(28,837)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	217	(2,777)
23	Provision (Credit) for Income Taxes.....	163	(1,681)
24	Income (Loss) Before Extraordinary Items.....	54	(1,096)
25	Extraordinary Items (Net of Income Taxes - 2002, \$0 ; 2001, \$0)	0	0
26	Net Income (Loss).....	\$ 54	\$ (1,096)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

revised 09/30/02

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001

Amended

(UNAUDITED)
(\$ IN THOUSANDS)

11/15/02

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 98,173	\$ 100,939
2	Rooms.....	12,545	11,855
3	Food and Beverage.....	13,094	12,188
4	Other.....	4,179	3,166
5	Total Revenue.....	127,991	128,148
6	Less: Promotional Allowances.....	22,670	23,022
7	Net Revenue.....	105,321	105,126
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	59,781	58,013
9	Selling, General, and Administrative..... (Note 5).....	14,851	14,981
10	Provision for Doubtful Accounts.....	545	779
11	Total Costs and Expenses.....	75,177	73,773
12	Gross Operating Profit.....	30,144	31,353
13	Depreciation and Amortization.....	6,855	6,213
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	7,500	7,359
15	Other.....	0	0
16	Income (Loss) from Operations.....	15,789	17,781
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,410)	(13,187)
18	Interest (Expense) - External..... (Note 3).....	557	(31)
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	2,738	(358)
20	Nonoperating Income (Expense) - Net.....	(2,119)	(877)
21	Total Other Income (Expenses).....	(12,234)	(14,453)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	3,555	3,328
23	Provision (Credit) for Income Taxes.....	1,578	2,066
24	Income (Loss) Before Extraordinary Items.....	1,977	1,262
25	Extraordinary Items (Net of Income Taxes - 2002, \$0 ; 2001, \$0)	0	0
26	Net Income (Loss).....	\$ 1,977	\$ 1,262

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE SIX MONTHS ENDED JUNE 30, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

3-14-03

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2000.....	1,500	\$ 70,492	-	\$ -	\$ -	\$ -	\$ (5,113)	\$ 65,379
2	Net Income (Loss) - 2001.....							(17,935)	(17,935)
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6									
7									
8									
9									
10	Balance, December 31, 2001.....	1,500	70,492	-	-	-	-	(23,048)	47,444
11	Net Income (Loss) - 2002.....							1,249	1,249
12	Contribution to Paid-in -Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	1999 Income Tax Adjustment.....								
16									
17									
18									
19	Balance, June 30, 2002.....	1,500	\$ 70,492	-	\$ -	\$ -	\$ -	\$ (21,799)	\$ 48,693

Amended 3/03-See Note 15

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the Notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 98,173	\$ 100,939
2	Rooms.....	12,545	11,855
3	Food and Beverage.....	13,094	12,188
4	Other.....	4,179	3,166
5	Total Revenue.....	127,991	128,148
6	Less: Promotional Allowances.....	14,718	14,274
7	Net Revenue.....	113,273	113,874
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	59,781	58,013
9	Selling, General, and Administrative..... (Note 5).....	22,803	23,729
10	Provision for Doubtful Accounts.....	545	779
11	Total Costs and Expenses.....	83,129	82,521
12	Gross Operating Profit.....	30,144	31,353
13	Depreciation and Amortization.....	6,855	6,213
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	7,500	7,359
15	Other.....	0	0
16	Income (Loss) from Operations.....	15,789	17,781
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,410)	(13,187)
18	Interest (Expense) - External..... (Note 3).....	557	(31)
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	2,738	(358)
20	Nonoperating Income (Expense) - Net.....	(2,119)	(877)
21	Total Other Income (Expenses).....	(12,234)	(14,453)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	3,555	3,328
23	Provision (Credit) for Income Taxes.....	1,578	2,066
24	Income (Loss) Before Extraordinary Items.....	1,977	1,262
25	Extraordinary Items (Net of Income Taxes - 2002, \$0 ; 2001, \$0)	0	0
26	Net Income (Loss).....	\$ 1,977	\$ 1,262

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE SIX MONTHS ENDED JUNE 30, 2002

(UNAUDITED)
(\$ IN THOUSAND)

Line	Description	Common Stock		Preferred Stock	Additional Paid-In Capital	Retained Earnings (Accumulated) (Deficit)	Total Stockholder's Equity (Deficit)
		Shares	Amount				
1	Balance, December 31, 2000		100 \$	1	0 \$	0 \$	129,529 \$
2	Net Income (Loss) - 2001						3,646
3	Contribution to Paid-in-Capital						3,646
4	Dividends						
5	Prior Period Adjustments						
6							
7							
8							
9							
10	Balance, December 31, 2001		100 \$	1	0 \$	0 \$	133,175 \$
11	Net Income (Loss) - 2002						54
12	Contribution to Paid-in-Capital						54
13	Dividends						
14	Prior Period Adjustments						
15							
16							
17							
18							
19	Balance, June 30, 2002		100 \$	1	0 \$	0 \$	133,229 \$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 20,550	\$ 20,721
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(22,853)	(19,644)
5	Proceeds from Disposition of Property and Equipment.....	6	20
6	Purchase of Casino Reinvestment Obligations.....	(2,484)	(2,504)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	13,126	835
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(12,205)	(21,293)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....		
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(1,518)	(481)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(1,518)	(481)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	6,827	(1,053)
25	Cash and Cash Equivalents at Beginning of Period.....	17,334	20,668
26	Cash and Cash Equivalents at End of Period.....	\$ 24,161	\$ 19,615
CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....	\$ 18,410	\$ 17,065
28	Income Taxes.....	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 54	\$ (1,096)
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	13,499	12,313
31	Amortization of Other Assets.....	164	163
32	Amortization of Debt Discount or Premium.....	(56)	0
33	Deferred Income Taxes - Current.....		
34	Deferred Income Taxes - Noncurrent.....	29	(1,681)
35	(Gain) Loss on Disposition of Property and Equipment.....	1,090	(18)
36	(Gain) Loss on Casino Reinvestment Obligations.....	(2,681)	606
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	670	804
39	Net (Increase) Decrease in Inventories.....	(415)	(153)
40	Net (Increase) Decrease in Other Current Assets.....	(2,027)	(1,830)
41	Net (Increase) Decrease in Other Assets.....	(154)	194
42	Net Increase (Decrease) in Accounts Payable.....	(2,734)	(2,092)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	3,510	3,972
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	9,601	9,539
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 20,550	\$ 20,721

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (22,853)	\$ (19,644)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (22,853)	\$ (19,644)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

Capital Lease Obligations of \$0 and \$0 were incurred for 2002 and 2001, respectively.
Capital lease obligation retirements of \$0 and \$0 were incurred for 2002 and 2001, respectively.

In 2001, the company incurred an intercompany payable in exchange for assets from
the parent company in the amount of \$2,189.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

Amended

11/15/02

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

revised 09/30/02

FOR THE SIX MONTHS ENDED JUNE 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	152,573	\$ 11,650	0	\$ 0
2	Food	1,204,809	11,807	3,950	39
3	Beverage	3,565,170	4,307	0	0
4	Travel	0	0	7,761	2,716
5	Bus Program Cash	384,275	5,633	0	0
6	Other Cash Complimentaries	465,593	9,912	0	0
7	Entertainment	64,296	169	27,248	545
8	Retail & Non-Cash Gifts	0	0	0	0
9	Parking	0	0	0	0
10	Other	344,650	1,806	199,168	909
11	Total	6,181,366	\$ 45,284	238,127	\$ 4,209

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

FOR THE THREE MONTHS ENDED JUNE 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	72,609	\$ 5,659	0	\$ 0
2	Food	605,365	5,933	1,987	20
3	Beverage	1,725,892	2,069	0	0
4	Travel	0	0	3,934	1,377
5	Bus Program Cash	202,869	2,931	0	0
6	Other Cash Complimentaries	232,266	5,021	0	0
7	Entertainment	31,857	84	17,601	352
8	Retail & Non-Cash Gifts	0	0	0	0
9	Parking	0	0	0	0
10	Other	181,680	973	74,037	338
11	Total	3,052,538	\$ 22,670	97,559	\$ 2,087

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001

NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2001.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2001 Annual Report should be read in conjunction with these financial statements.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for Points and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future", which addresses the income statement classification of the value of the points redeemable for cash awarded under point programs. Per the consensus, the cost of these programs should be reported as a contra-revenue, rather than as an expense.

EITF 00-14 "Accounting for Certain Sales Incentives", which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons, and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a single exchange transaction should not be shown as an expense but should be an offset to the related revenue.

Based upon a review of EITF 00-22 and EITF 00-14, the Company has concluded these amounts are immaterial and no reclassifications have been made.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 2002 and 2001, the components of Property and Equipment consisted of:

	<u>2002</u>	<u>2001</u>
Land and land improvements	\$ 49,974,000	\$ 51,237,000
Building and improvements	562,490,000	554,563,000
Furniture, fixtures and equipment	127,447,000	116,866,000
Leased personal property	4,319,000	5,113,000
Construction in progress	<u>33,625,000</u>	<u>15,201,000</u>
Total property and equipment-gross	777,855,000	742,980,000
Accumulated depreciation	<u>(225,408,000)</u>	<u>(201,589,000)</u>
Total property and equipment	\$ 552,447,000 =====	\$ 541,391,000 =====

NOTE 3. LONG-TERM DEBT

At June 30, 2002 and 2001, Long-Term Debt consisted of:

Due to Affiliates:	<u>2002</u>	<u>2001</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	\$ 447,000,000	\$ 448,041,000
Long-term debt due to affiliates	447,000,000	448,041,000
Obligations under capital leases	<u>635,000</u>	<u>1,305,000</u>
Total Affiliates and Other	447,635,000	449,346,000
Less: current portion	<u>(381,000)</u>	<u>(631,000)</u>
Total long-term debt	\$ 447,254,000 =====	\$ 448,715,000 =====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004 (See Note 5. Related Parties). On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

NOTE 4. COMMITMENTS AND CONTINGENCIESLicensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the

CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 12 to 45 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2002 and 2001, respectively, was \$2,484,000 and \$2,504,000 for the purchase of CRDA bonds. The Company recorded a loss provision for 2002 of \$588,000, offset by a gain of \$3,269,000 resulting from the return of our CRDA deposits. For 2001 the Company recorded a loss provision of \$606,000. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 2002.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of June 30, 2002, the Company received approximately \$23,805,000 in funding from the CRDA under this agreement and had approximately \$300,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has executed a credit agreement with the CRDA for approximately \$20,000,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of June 30, 2002, the Company received approximately \$10,896,000 in funding from the CRDA under this agreement and had approximately \$197,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended June 30, 2002 and 2001, Aztar charged the Company a management fee of \$17,591,000 and \$16,800,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at June 30, 2002 and 2001 are:

	<u>2002</u>	<u>2001</u>
Due to Aztar Corporation	\$ 7,179,000	\$ 14,613,000
Due to Ramada New Jersey, Inc.	163,000	87,000
Due to Adamar Garage Corporation	10,213,000	5,514,000
Due to Atlantic Deauville, Inc.	148,000	78,000
Due to Tropicana West	<u>-</u>	<u>110,000</u>
	\$ 17,703,000	\$ 20,402,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at June 30, 2002 and 2001 are:

	<u>2002</u>	<u>2001</u>
Advances to Tropicana West	\$ 1,824,000	\$ <u>-</u>
	\$ 1,824,000	\$ <u>-</u>
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at June 30, 2002 and 2001 are:

<u>PAYEE</u>	<u>2002</u>	<u>2001</u>
Aztar Corporation	\$ 447,000,000	\$ 448,041,000

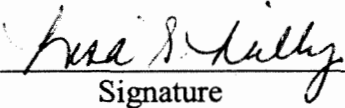
On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004. The Company also received payment from Aztar of \$59,000,000 which was applied against the net intercompany receivable. The Company then paid a dividend to Ramada New Jersey Holdings Corporation to the extent of Retained Earnings at June 1, 2000, of \$52,681,000 and a return of capital of \$198,319,000 for a total of \$251,000,000. On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

For the six months ended June 30, 2002 and 2001 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2002</u>	<u>2001</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 3,000	\$ 3,000
Property insurance	<u>395,000</u>	<u>317,000</u>
	<u>398,000</u>	<u>320,000</u>
 <u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	161,000	163,000
Executive deferred compensation plan	12,000	12,000
Claims	63,000	18,000
Professional services	<u>1,000</u>	<u>7,000</u>
	<u>237,000</u>	<u>200,000</u>
 Total	 \$ 635,000 =====	 \$ 520,000 =====

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Controller

005939-11

License Number

On Behalf of:

Tropicana Casino & Resort
Casino Licensee